

C O P Y

ECONOMIC INTELLIGENCE COMMITTEE

22 August 1958

MEMORANDUM FOR: Chairman, Economic Defense Intelligence Committee

SUBJECT: Proposed Inclusion of EDIC within the EIC

1. This is in response to your memorandum of 14 August 1958 in which you seek assurance that the subject proposal would not adversely affect the character and quality of the intelligence support presently provided by EDIC.

2. Although I cannot speak for the EIC membership, which has not addressed itself to this proposal, I believe that there would be general agreement that the inclusion of the present EDIC organization within the EIC structure, either as its Economic Defense Subcommittee or as a permanent Economic Defense Working Group, would not only be a timely and appropriate simplification of the coordinating structure within the intelligence community but would also provide certain benefits not at present fully realized, such as the ability to obtain direct assistance more readily from technical experts in other subcommittees and working groups of the EIC.

3. In order to maintain the present efficiency of the EDIC organization in carrying out its responsibilities, in my mind, the EIC would have to determine that neither the EIC itself nor its Secretariat would interject more than a limited control over incoming requests, production activities, and dissemination of reports of the types currently handled by the EDIC. This procedure would not be uncommon to the EIC. Some subcommittees have issued working papers without EIC review. For two and a half years, the Working Group on Sino-Soviet Bloc Economic Activities in Underdeveloped Areas has issued a report biweekly without EIC review. I am confident that the majority of the EIC members will recognize the need for timeliness not only in accepting and acting upon requests but also in subsequent reporting in providing intelligence support to action groups within the economic defense structure of our Government.

4. At the same time, the EIC would, of course, expect to exercise its normal authority as the parent body of the new economic defense subcommittee or working group. This authority would include approval of the terms of reference; the review and noting of periodic non-substantive reports, including a formal annual status report; the right to place upon the subcommittee or working group requests that would legitimately fall within the latter's competence and area of responsibility; maintenance of EIC Secretariat guidance of the subcommittee's or working group's secretariat to assure conformity of the latter's activities with normal EIC procedures; and review and approval of reports produced by the subcommittee or working group which are deemed by the EIC to be of such significance to the national security to require issuance as fully agreed reports of the U.S. intelligence community.

/signed/

OTTO E. GUTHE

Chairman